

January 27, 2020

CLERK
MALIK ARMSTEAD
U.S. BANKRUPTCY COURT
EASTERN DISTRICT OF
BROOKLYN NEW YORK 11205

2020 JAN 27 P 2:30

HONORABLE JUDGE

JUDGE ELIZABETH STONG

RECEIVED

Case # 1941489

HONORABLE JUDGE,

My name is Malik Armstead. I read the letter by Mr. Mr. Ravert. I am shocked. How could he write something like this? What is he trying to do? Finish my case completely. On January 24 in the court hearing we were confused. We did not know what happened. We thought we lost everything. I came out of the court. I was talking to my lawyer Courtney. I saw this nice lawyer talking to some other lawyer. He saw us. He approached my lawyer. He talked to Courtney that not all is lost. He told my lawyer that the Judge is kind. She will consider all options. Mr. Dahiya also told Courtney if we come up with the money to pay everyone or put the mortgage in line. We will not lose anything. My lawyer asked Mr. Dahiya if it is ok for him to call to get a second opinion. Courtney asked him his name and card. His name was Karam. My lawyer told him we will talk to him more for second thought. I asked Mr. Karam for his card. He said no. He told me that my lawyer Courtney could call him. My lawyer told Mr. Karam it is ok to give his number to me. Courtney said to me I should get a second thought on the case. It is all we got. Mr. Dahiya did not talk to me. He only talked to my lawyer Courtney. I saw after a minute or two Mr. Ravert pass by and he told my lawyer Courtney that Courtney should call him.

Then after 5 or 10 minutes, when we went out of the building. We saw Mr. Ravert was standing there inconspicuously. Mr. Ravert immediately yelled Courtney. Then Mr. Ravert briskly walked towards us. He was very anxious. The first thing he mentioned was Mr. Dahiya's name. He said that Mr. Dahiya is a bad person. He preys on people. He gives false sense of hope. He is out to take people's money. Mr. Ravert said he has tried cases against Mr. Dahiya and won all of them. He kept saying stay away from Mr. Dahiya, stay away from him. He kept reiterating. He offered

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his personal advise then. He said to look to get some financing as the judge said or the building would be sold in 90 days or maybe 120 days.

Courtney my lawyer was perplexed by Mr. Ravert approach. Mr. Ravert was talking to both of us. I turned away my head from him. Then he started advising. Mr. Ravert did all the talking. It seems Mr. Ravert was sitting outside waiting like a predator. He kept saying all kind of things. We did not ask him anything. I was puzzled. My lawyer Courtney was perplexed. Courtney and I then walked towards tillary street. We agreed to call Mr. Dahiya 1 Pm Friday afternoon, later that day. I was very adamant with Courtney that we had not fought in this case. And I had lot of arguments and points that needed to be addressed to the court. On December 24, 2019 I reminded Courtney that I mailed him a list of arguments motions to be brought to the court. My lawyer Courtney said that he would talk to Mr. Dahiya to do a conference call at 1 O'clock to talk about those issues. I am in lot of pain. Ravert lied to the court about everything. His letter talking bad about Mr. Dahiya saying he is bad for my case is very serious. How can he tell lies and get away. Now I want to tell you Honorable Judge. What Ravert and his client did to me.

I send these points to my lawyer what Hirshmark did. Hirshmark owns 461 Myrtle Avenue Funding LLC. Mr. Ravert is their lawyer.

1. The prepayment penalty period ended in April 1,2019 however it is still being included in the payoff letter.after this date. 2. Hirshmark was charging me for insurance coverage while I had my own insurance in place. 3.when I first closed on the loan with velocity a few months into the loan the processing company changed from Seneca mortgage to Nationstar then to Mr Cooper. This all created confusion and delays in the proper service company receiving timely payments.

4. Velocity did not inform me of the sale of the mortgage to Hirshmark.

5 hirshmark initially posed them self to me as a prospective bridge lender and I gave them a substantial amount of confidential information about the property . Then they brought the loan and aggressively forced the eviction process which I had

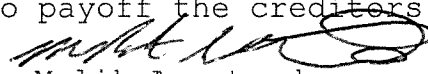
no choice but to file bankruptcy. When Hirshmark purchased the loan they never offer me any written terms to settle the loan. 5. When I closed the loan with velocity they withheld \$75k until I satisfied some outstanding violations. Once I sent them all the documentations of settlement. They refused to release the money. Part of the stipulation was if "I did not satisfy the outstanding violation in 6 months that the money they withheld from me would be applied to my principal balance Velocity did not apply this \$75k to my principal until approximately 18 month after it should have been . This resulted into a miscalculation of default interest on the amount that was owed. 6. I have contacted prospective bridge lender requesting a letter of intent for their offer of \$3750,000 I am also seeking financing from another lender I sent them current payoff and. Waiting on response 7. I never received a accelerated letter or demand letter from velocity.

Now I know why Ravert does not want me get representation. I researched Mr. Dahiya.i am impressed with his work. He is dedicated. I came to know Mr. Ravert lied about winning cases against Mr. Dahiya. I did not see any win.

I also find it very bad Mr. Ravert lies about Mr. Dahiya words about Mr. Davy. Mr. Dahiya actually praised Mr. Davy. He never said anything bad about Mr. Davy. Mr. Dahiya did not promise me anything. Mr. Dahiya said to my lawyer to not to trust anything said in the court by bank lawyers but to look at the mortgage note. He said that bank lawyers would be sanctioned if they are caught lying. Mr. Dahiya did not promise Mr. Davy about anything. I remember Mr. Dahiya tell Mr. Davy to call any time about legal issues.

I want a resolution to my case. I would like the ability to put my own plan together. I can pay them by refinancing my property or some other legal solutions. But what happened to my rights? What will happen to the wrongs done to me by the lender. Mr.ravert letter is not from a good heart. He wants money but what happens to my rights. It is my case. Not Mr. Ravert's I am free to hire anyone. Hirshmark/461 Myrtle Avenue Funding was a lender. I talked to them about loan. They promised me loan to help me. I disclosed all

properties everything to them. I am showing you the proof of communication. What they did then was very bad. They bought the loan from the lender. They were supposed to be representing my interest. They went against me. I lost lot of time money and opportunity.it was a fraud on me. They misrepresented that they were working for me to get the loan to pay the bank. Mr. Ravert does the same like his client. Mr. Ravert says that I am only interested in my interest. That is not right. I am doing this so that all are paid. Mr. Ravert has no business to talk bad about me. Mr. Ravert letter is not against Mr. Dahiya. It is against me. They don't want me to get help from anyone. I am not a child. I know who is what. I am a college graduate. I can make my own decisions. I have been a businessman for 24 years. Why did Mr. Ravert write this malicious letter. What is his motive. Are they hiding something? I need time Honorable Judge. I will find solution very fast to payoff the creditors.


Malik Armstead

COPY to

KARAM DAHIYA
75 MAIDEN LANE Suite 506
New York New York 10038

From: Jake Soodek jsoodek@hirshmark.com
Subject: TERM SHEET - \$3.5M LOAN - HIRSHMARK
CAPITAL - DIRECT LENDER
Date: Oct 5, 2018 at 1:31:57 PM
To: malikarmstead55@gmail.com

Malik,

As discussed, please see the attached. You know we are capable lenders and there is no brokerage fee with me. Let me know your thoughts on the attached and let's see if we can work on this deal together and get you out of foreclosure. I will follow up next week.

Best,

Jake Soodek | Director of Acquisitions | Hirshmark Capital LLC
15 W 26th St, Suite 901, New York, NY 10010
P: [212-321-0476](tel:212-321-0476) | F: [212-321-0498](tel:212-321-0498) | C: [203-448-0564](tel:203-448-0564)
jsoodek@hirshmark.com | www.hirshmark.com

Hirshmark Capital Employment Opportunities

**NOTHING IN THIS MESSAGE IS INTENDED TO CONSTITUTE AN ELECTRONIC
SIGNATURE UNLESS A SPECIFIC STATEMENT TO THE CONTRARY IS INCLUDED IN
THIS MESSAGE.**

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HIRSHMARK CAPITAL

Phone: (212) 321-0421
Fax: (212) 321-0498

TERMS AND CONDITIONS October 5, 2018

This term sheet does not constitute a commitment on the part of Hirshmark Capital LLC, or any of its affiliates. The term sheet is intended as an outline only, and does not purport to summarize all of the terms, conditions, covenants, representations, warranties, and other provisions, which would be contained in definitive legal documentation for the proposed transaction.

Borrower: Armstead Risk Management Inc.

Lender: Hirshmark Capital LLC (or its assigns)

Loan Amount: \$3,500,000

Interest Rate: 9% per annum.

Fees to Lender: 1.5% of entire loan amount, due as follows:
Application Fee of \$5,000.00 due to lender upon receipt of signed Terms Sheet (which will be credited towards the total \$52,500.00 Funding fee). The remaining Funding Fee of \$47,500.00 will be due to lender at closing.

Maturity: 12 months from date of closing.

Exit Fee: 1% of the original balance.

Repayment Terms: Interest only payments due monthly.

Prepayment: None allowed for the first 6 months of the loan term. Thereafter, the loan may be repaid in full without penalty upon 30 days written notice.

Recourse: Personal Guaranty by Malik Armstead and all principals of borrower.

Collateral: 1st position lien secured by 459-461 Myrtle Avenue, Brooklyn NY and pledge of borrower's interest in LLC.

Use of Proceeds: Refinance of the subject property.

Representations And Warranties: All customary, including, but not limited to, confirmation of Borrower's authority and status; execution, delivery and performance of loan documents that do not violate law or existing agreements; no litigation except as disclosed to Lender; ownership of property; payment of taxes, compliance with laws and continuation of representations and warranties. Borrower may be required, monthly, to escrow 1/12th of Real Estate Taxes, water, sewer, and any other impounds Lender deems necessary. Borrower will be required to show proof of one year's worth of paid insurance premiums at closing. Borrower to provide accurate financial statements, including a list of properties owned and details thereof.

Broker:

None

Lender's Counsel:

Eric Sadkin Esq. of Mavrides, Moyal, Packman, Sadkin
276 Fifth Avenue, Suite 404, New York, NY 10001.
Telephone: 646.794.1570

Expenses:

Lender's legal and background check fees. Appraisal fee (if applicable).

Subject to:

Background check and inspection of building. Appraisal coming in at no less than \$5,500,000 (if applicable).

Expiration of Terms
And Conditions:

Lender will consider the terms suggested in this proposal for a period of 5 days from the date of this proposal. If the borrower does not pursue a loan with Lender during such 5-day period, Lender has the right to revoke or renegotiate the terms set out in this proposal.

Title Company:

TitleVest

If you find the terms and conditions of this proposal to be acceptable to you, please sign below and return this TERM SHEET along with a Good Faith Deposit/Application Fee of \$5,000.00. via certified or bank check payable to Hirshmark Capital LLC, which will be credited to all expenses and fees as indicated above.

Thank you for your consideration, we look forward to hearing from you soon.

Sincerely,
Hirshmark Capital LLC

Mark Levin, Managing Member

ACCEPTED AND AGREED TO THIS _____ DAY OF _____, 2018

Signature: _____

Name (Printed): _____

Title: _____

From: Jake Soodek jsoodek@hirshmark.com
Subject: Refinance Assumptions
Date: Oct 12, 2018 at 12:10:12 PM
To: malikarmstead55@gmail.com

Malik,

As discussed via text, you have some concern. Ultimately, I think you have a few options if your plan is to take out a bridge loan with me and then refinance. I think the best thing would be to refinance both properties under one loan. You have equity in Washington, so that will help. If you are not interested in that, you can get an SBA loan on your business and the real estate. You can usually get 75% financing of the real estate with a business you own inside. Thirdly, you can rent up the retail easily and put in a serious tenant and refinance with a bank overnight. We valued the real estate at a conservative number of \$5,500,000, but can see somebody paying closer to \$6,000,000 on it because it has air rights, it's a corner, etc. We project a gross income of \$384K and an NOI of \$330K if you are able to put in a tenant on the ground floor. With that in mind, with a 1.25 DSCR you should be able to afford a \$3.75M loan at 4.5% over 30 year amm. I think an appraisal will definitely come in at \$5.5M if not more. Please let me know if you have any other questions. We'd like to get this deal wrapped up ASAP as it's getting tight for a bridge lender given no retail tenant other than your business, and default interest is accruing, making your payoff higher. Please let me know if you have any questions.

Best,

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Jake Soodek | Director of Acquisitions | Hirshmark Capital LLC
15 W 26th St, Suite 901, New York, NY 10010
P: [212-321-0476](tel:212-321-0476) | F: [212-321-0498](tel:212-321-0498) | C: [203-448-0564](tel:203-448-0564)
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Hirshmark Capital Employment Opportunities

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SIGNATURE UNLESS A SPECIFIC STATEMENT TO THE CONTRARY IS INCLUDED IN
THIS MESSAGE.**

From: Jake Soodek jsoodek@hirshmark.com
Subject: Myrtle Payoff
Date: Jan 16, 2019 at 5:19:31 PM
To: malikarmstead55@gmail.com

Malik,

We received the below payoff from Velocity. Please confirm this is the number that you are aware of and understand to be the correct payoff amount. We are currently negotiating with them.

Thanks.

Jake Soodek | Director of Acquisitions | Hirshmark Capital LLC
15 W 26th St, Suite 901, New York, NY 10010
P: 212-321-0476 | F: 212-321-0498 | C: 203-448-0564
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Unpaid Principal	2,714,640.58
Interest Due	538,403.60
(From 10/01/16 to 1/31/19 at 8.500%)	
Fees Billed of	256,907.37
Late Charges of	861.18
Deferred Late Charges	2,271.74
Corporate Advance	30,287.18
Escrow Advance	75,641.04

Prepayment Penalty	99,999.99
COUNTY RECORDING FEE	42.00

Balance Due

3,754,786.72

Thank you,

Peter Kosor
Capital Markets Analyst